

BARRETT LAW OFFICE
A PROFESSIONAL ASSOCIATION
ATTORNEYS AT LAW

LEXINGTON OFFICE
404 Court Square North
P.O. Box 987
Lexington, Mississippi 39095
Telephone (662) 834-2376
Facsimile (662) 834-2628

NASHVILLE OFFICE
One Burton Hills Blvd
Suite 380
Nashville, Tennessee 37215
Telephone (615) 665-9990
Facsimile (615) 665-9998

August 23, 2007

Don Barrett*
E-mail: d Barrett@barrettlawoffice.com

*Admitted only in Mississippi

Reply to the Lexington Office

Sheila L. Birnbaum, Esq.
Skadden, Arps, Slate, Meagher & Flom, LLP
Four Times Square
New York, NY 10036-5522

via e-mail: sbirnbau@skadden.com

Dear Sheila:

I hear you are having cool fall-like weather. Would you please ship me some? It was 104 here yesterday.

This is a confidential settlement letter.

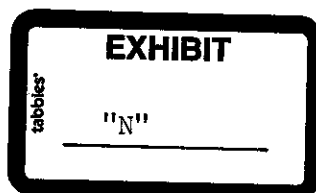
Attached is an editorial from the Jackson paper of August 23, 2007, Judge Acker has turned out to be quite a client-recruiting agent for us. We are rapidly approaching having as many clients as we settled with State Farm originally.

All of this happened because State Farm could not or would not call off its Renfro dogs in Alabama. So what should and could have been a win/win settlement for State Farm and all of its Coast policyholders got blown up, and we find ourselves back where we started before we ever began talking in 2006.

You and I need to come up with a settlement formula that ends this with us for good. Otherwise we will keep getting cases until the statute of limitations runs (not necessarily in 2008; there may be legislative or judicial extensions), and our cases seem to get stronger as new information comes out. If State Farm or any of its employees are indicted, then the value of our cases skyrocket.

It seems to me that any overall settlement needs to have at least these three elements:

1. Individual settlements must take into account, in some reasonable way, the current state of knowledge about how Lecky King, et al, operated State Farm's business on the Coast.



Sheila Birnbaum
August 23, 2007
Page 2

2. We need to find some ethical way for our group to be out of Katrina litigation, for good. I think it is accurate to say that we are by far the biggest problem State Farm has, on the civil side of the docket, anyway. We had this problem solved before by the class action, which should have been approved. Since State Farm's mediation program partner is soon to be out of office, perhaps it is time to try again with a new class settlement. If State Farm no longer wants a class settlement, then perhaps there is some way for State Farm to hire us, maybe to write a Katrina White Paper or something like that. That may fix the problem.
3. The Renfro case in Alabama must be dismissed with prejudice, with costs to be paid by Renfro.

If State Farm ever wants to stop the madness, and will negotiate on the basis of the points mentioned above, I think that you and I could get it done.

Best personal regards.

Sincerely,

A handwritten signature in black ink that reads "Don Barrett". The signature is written in a cursive, slightly stylized font.

Don Barrett